HOW TO ACCESS OUR PREMIUM REPORT CONTENT

This “Quick Report” is available to anyone at no cost. However, our premium content (including critical underlying data) is only available to healthcare providers who participate in the associated study, their organizations, and to licensed ReactionData clients. Premium content for this report includes:

- A list of all organizations mentioned by participants as the most innovative in healthcare.
- All free-response answers describing why they feel the selected organizations are the most innovative.
- A list of the healthcare facilities that participated in this research study.

*We do not disclose participant names or their healthcare facilities when sharing individual participant feedback.

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2. Healthcare providers and their organizations (Including: hospitals, clinics, and practices) do not need a license to receive our Premium Reports. To be eligible, at least one relevant employee must participate in the associated 60-second, web-based research initiative. We value participation from all caregivers, technology/support personnel and leadership.
The hospital c-suite faces an ever-changing landscape of unrelenting government regulations, shifting population demographics, and continuing industry consolidation. As the general public has finally accepted the fact that healthcare costs are only going up, more people are looking for cost-saving measures to their treatment. This is a driving factor of the shift away from inpatient treatment whenever possible.

For those that lead the charge at smaller hospitals, it’s a constant struggle to live in this environment and play by the same rules as the more cash-flush, mega hospitals; while executives at these larger facilities have the added pressure of being a “big business” with the dimension of mergers and acquisitions. Amid all of these “lesser activities,” these leaders still feel tasked with and find time to make meaningful and disruptive improvements in healthcare today. All in all, it’s enough to give the stress level of air traffic controllers a run for their money.

In our latest report, we dive into the minds of the hospital c-suite to find out what keeps them up at night (hello, migration to value-based reimbursements), the direction they’re taking their organizations, which enterprise clinical IT vendors control market share among hospitals, large and small, and who they feel is most influential and innovative in healthcare today.

In just two weeks we received feedback from 336 c-level executives across the country that run the gamut from critical access facilities to the very largest integrated delivery networks (IDNs).

Author: Chris Jensen
Co-Author: Taylor Madsen
ENTERPRISE CLINICAL IT VENDORS COVERED IN THIS REPORT

Allscripts™

Cerner™

Epic

Evident

Healthland®

MCKESSON

MEDHOST®

MEDITECH

Medical Information Technology, Inc.
MOST INNOVATIVE ORGANIZATIONS ACCORDING TO C-LEVEL HEALTHCARE PROVIDERS

INTO THE MINDS OF THE C-SUITE

reactiondata.com

athenahealth

Cleveland Clinic

Cerner

Epic

GE Healthcare

GEISINGER HEALTH SYSTEM

HCA

Hospital Corporation of America

Intermountain Healthcare

KAISER PERMANENTE

MAYO CLINIC

theranos
We received direct feedback from c-level executives within 320 hospitals across the country regarding the challenges that most need to be addressed within their individual organizations. The switch to value-based reimbursements was at the top of the list (and rightly so). Discussing revenue in the same sentence with uncertainty is like mixing oil and water, and is causing top executives within provider organizations to lose sleep. Moving down the line of top challenges feels a little predictable until we reach information security near the bottom of the list. With the recent breaches in information security and the sheer value of PHI (protected health information), we’re surprised to find this to be such a low priority. Could this mean the hospital c-suite (CIOs excluded) is a little too confident in their current security measures?

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing switch to value based reimbursement models</td>
<td>64%</td>
</tr>
<tr>
<td>Coordinating care</td>
<td>56%</td>
</tr>
<tr>
<td>Managing patient populations</td>
<td>54%</td>
</tr>
<tr>
<td>Patient engagement</td>
<td>48%</td>
</tr>
<tr>
<td>Shortages of physicians and nurses</td>
<td>47%</td>
</tr>
<tr>
<td>Managing data</td>
<td>36%</td>
</tr>
<tr>
<td>Regulatory compliance</td>
<td>33%</td>
</tr>
<tr>
<td>Meaningful ROI on IT purchases</td>
<td>31%</td>
</tr>
<tr>
<td>Improving information security</td>
<td>30%</td>
</tr>
<tr>
<td>Reducing hospital acquired infections</td>
<td>18%</td>
</tr>
<tr>
<td>M&amp;A</td>
<td>11%</td>
</tr>
<tr>
<td>Other</td>
<td>7%</td>
</tr>
</tbody>
</table>
WHAT ARE THE TOP CHALLENGES FACING YOUR ORGANIZATION? (BREAKOUT BY TITLES)

The graph on the following page is packed with data and requires a little more observation before the insights begin jumping out. However, segmenting by title (role) can provide the proper perspective and insights about what’s on the minds of the c-suite. First, hospital CEOs are most responsible for the low priority placed on improving information security overall. Not surprising, CIOs rated this as their top challenge to be addressed. With this disparity between these two c-level groups, perhaps they need more collaboration to find a reasonable balance in this area.

Second, CIOs cited mergers & acquisitions as their second biggest challenge to be addressed. This may seem odd as CIOs often work behind the scenes to improve the overall experience within their provider organizations. However, when we consider the wrench a merger or acquisition can throw in the CIO’s world, with forced adoption of new solutions that are often not viewed as favorably as current solutions and new integrations that are often necessary, it’s no wonder this is a top concern among hospital CIOs. Unfortunately, with consolidation being one of those rare constants in healthcare for the foreseeable future, there is no easy solution for IT departments.

**The other category for executive titles in all of the following graphs consists of titles that meet or even exceed the c-suite such as senior vice presidents and medical board chairs.
What are the Top Challenges Your Organization Needs to Address? (Breakout by title)

- Managing switch to value based reimbursement models
- Coordinating care
- Managing patient populations
- Patient engagement
- Shortages of physicians and nurses
- Managing data
- Regulatory compliance
- Meaningful ROI on IT purchases
- Improving information security
- Reducing hospital acquired infections
- Mergers and Acquisitions
- Other
WHY ARE THE TOP CHALLENGES FACING YOUR ORGANIZATION?
(BREAKOUT BY FACILITY SIZE)

Looking at the top challenges faced by healthcare facilities from the perspective of hospital size (bed size) provides a third reference point and thus a 3D view of what keeps provider executive up at night. Starting from the bottom (1-25 beds), we find the smallest hospitals have the biggest struggle attracting and/or retaining physicians and nurses. There are many reasons for this—remote locations and income disparity being among them. The second biggest challenge for this group is improving the ROI on IT purchases. Clearly, vendors have work to do in developing their solutions to truly scale to the needs of hospitals and in providing best practices in the use of their solutions, specifically the cost imposed on smaller facilities. The last high level concern to these critical access hospitals is their ability to keep up with regulatory compliance.

Moving up in facility size, we don’t see any notable trends between 26-250 bed size hospitals. At 251+, however, we find confirmation that a shortage of physicians and nurses is primarily felt in smaller facilities, as the larger facilities rank this as a lower priority issue.

Two final trends emerge at the 1,001+ size facilities. Improvements to information security is a high-level concern among large hospitals. Plain and simple, the larger the facility, the more PHI they have, and hence larger the target to identity thieves. Mergers and acquisitions tops the list of concerns among mega hospitals. Perspective changes a little as economies of scale allow those at the top of the food chain to become more profitable acquiring other organizations. In this segment, there appears to be very little middle ground: hunt or be hunted.
What are the top challenges facing your organization? (By bed size)

- Managing switch to value based reimbursement models
- Coordinating care
- Managing patient populations
- Patient engagement
- Shortages of physicians and nurses
- Managing data
- Regulatory compliance
- Meaningful ROI on IT purchases
- Improving information security
- Reducing hospital acquired infections
- Mergers and acquisitions

1-25
26-100
101-250
251-500
501-1000
1001+
Ambulatory
Looking at all hospital sizes as a whole is a good place to start a discussion about market share. However the context of segmentation by hospital size is necessary to uncover the real trends in market share among enterprise clinical IT vendors—but more about that in the next graph. For now, MEDITECH is the market leader if we give equal weight to every hospital regardless of size. Cerner has the second largest slice of the market share pie (aided in no small part by virtue of their acquisition of Siemens’ healthcare IT division) with Epic rounding out the top three.
To add some color to the market share narrative, we break it down by bed size. To MEDITECH’s credit, they have a monstrous stronghold of just over 50% among our sample of “medium-ish” size hospitals (101-250 bed size). They also show up with a healthy share of the market among 26-100 bed size facilities with almost 25%. Their dominance in this market recedes as we move up in size but they still tie with Cerner for the second largest share of the market among 251-500 bed size. From here, it becomes the “Epic-and-Cerner Show”. Epic is approaching 50% market share among facilities with between 501-1,000 beds and controls more than 50% at the 1,001+ segment. Cerner is also achieving significant market share with more than 25% and 44% in the 501-1,000 and 1,001+ hospitals, respectively.
THE FUTURE OF HEALTHCARE MERGERS & ACQUISITIONS

MERGERS & ACQUISITIONS OVERALL

What’s a healthcare industry report without some in depth coverage on perhaps the most constant variable in healthcare? Yes, we’re referring to mergers and acquisitions. Overall, more than one-third of hospitals are currently considering, may have to consider in the future, or are in the thick of a merger or acquisition. Outwardly, healthcare is a “come and be healed” industry, but behind the scenes, it’s survival of the fittest: eat or be eaten. You can’t make this stuff up (and it’s a good thing, too, because what would we have to talk about?).

Is your organization currently planning or undergoing a merger/acquisition?

- No
- Not currently, but we may have to in the future.
- Yes, we’re going to acquire another hospital organization.
- Yes, we’re going to merge with another hospital organization.
- Yes, we’re going to acquire ambulatory groups.
- Yes, we’re going to be acquired by a hospital.
By bed size, a trend emerges that we’ve written about in a few of our more recent reports on ambulatory EHR and community hospital EHR. There is an inverse relationship between the staunch “no’s” to a merger or acquisition and bed size. The smaller the facility, the more likely to have no plans for a merger or acquisition on either side. We see the same trend with the soft “no’s.” This group has no immediate plans but leaves the door open. They also trend down as bed size increases until we reach the large 1,001+ facilities, where we see a significant spike.

An opposite effect happens with the “Yes, we’re going to acquire another hospital organization,” crowd. In every case, the percent increases with each jump to larger facilities. This makes sense as economies of scale increase in force along with the hospital size. This provides increased opportunities for larger hospitals to absorb smaller facilities and implement their efficiencies with each acquisition. Mergers are a different animal altogether and have no apparent trend.
Do c-level hospital executives hold similar opinions, biases, and attitudes to the rest of the healthcare world? You decide. We asked our c-level community what organizations they view as the most innovative. By requesting an open text response to this question, the feedback was diverse, ranging from the expected (enter Mayo Clinic, Intermountain Healthcare, Cerner, Epic, etc) to the more novel, such as Apple and even Walmart and CVS. At first glance, some of these responses appear to be comic relief, but anyone who truly follows the trends in healthcare from a global view is aware of Walmart’s deliberate goals to entrench itself in healthcare by changing access to primary care. This is just another testament to the size and scope of healthcare.

**In this report we included any organization that garnered 2% or more of the total responses of who are the most innovative organizations.**
We weren’t surprised that any of these organizations mentioned in the graphs below were top choices among the c-suite. You’ll notice a fairly even mix of healthcare provider organizations and healthcare vendors with a sprinkle of tech giants- Apple and Google.
MOST INNOVATIVE HEALTHCARE PROVIDER ORGANIZATIONS

What can we say? The organizations listed in this graph are among the very elite healthcare provider organizations in the country (and the world for that matter) confirmed by their highest level peers.

Most Innovative Healthcare Provider Organizations Overall

<table>
<thead>
<tr>
<th>Organization</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mayo Clinic</td>
<td>Voted #1</td>
</tr>
<tr>
<td>Kaiser</td>
<td>Voted #2</td>
</tr>
<tr>
<td>Cleveland Clinic</td>
<td>Voted #3</td>
</tr>
<tr>
<td>Geisinger</td>
<td>Voted #4</td>
</tr>
<tr>
<td>Intermountain Healthcare</td>
<td>Voted #5</td>
</tr>
<tr>
<td>HCA</td>
<td>Voted #6</td>
</tr>
</tbody>
</table>
MOST INNOVATIVE HEALTHCARE PROVIDER ORGANIZATIONS
(AWARDS BY CATEGORY)

**MAYO**
PUSHING THE BOUNDARIES OF QUALITY OF CARE

“Mayo is the source of constant clinical innovation.”

**INTERMOUNTAIN HEALTHCARE**
ELITE LEADERSHIP

“Very steeped in data analysis and change management.”

**GEISINGER**
MOST VISIONARY

“Well ahead of the curve compared to the rest of the industry.”

**KAISER**
MOST INTUITIVE MODELS

“Leaders in system implementations and using them to decrease the cost of care.”
MOST INNOVATIVE VENDORS AND TECHNOLOGY COMPANIES

When a high percentage (relatively speaking) of c-level executives among hospitals mention you, a vendor, as a top supplier of innovation, you’re doing something right. It’s no wonder the vendors mentioned most often by our participants frequently show up with the largest mindshare in this space.

Most Innovative Vendors and Technology Companies Overall

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Voted #</th>
</tr>
</thead>
<tbody>
<tr>
<td>Epic</td>
<td>#1</td>
</tr>
<tr>
<td>Cerner</td>
<td>#2</td>
</tr>
<tr>
<td>Apple</td>
<td>#3</td>
</tr>
<tr>
<td>GE</td>
<td>#4</td>
</tr>
<tr>
<td>Google</td>
<td>#5</td>
</tr>
<tr>
<td>athenahealth</td>
<td>#6</td>
</tr>
<tr>
<td>Theranos</td>
<td>#7</td>
</tr>
</tbody>
</table>
MOST INNOVATIVE VENDORS AND TECHNOLOGY FIRM (AWARDS BY CATEGORY)

**APPLE**
MOST CUTTING EDGE TECHNOLOGY

“They’re creating technologies that will revolutionize the patient experience.”

**CERNER**
HIGHLY ADAPTABLE

“Cerner has solutions and partners that meet the needs of everything we are trying to accomplish today and in the future.”

**THERANOS**
COMMITMENT TO DISRUPTION

“I believe they will change the diagnostic lab space so dramatically, it will change the healthcare delivery system.”

**ATHENAHEALTH**
BEST OVERALL VALUE

“They provide a cost model that’s sustainable.”

**ATHENAHEALTH**
CUSTOMER FACING

“Athena listens to their customers.”
Do certain c-level executives have patterns to their selection process of the most innovative organizations? In some cases, yes. The most obvious example of this is CIOs’ clear bias toward Epic. They seem to be a CIO’s dream…so long as their CFO counterparts approve the price tag. CIOs also think very highly of Google. Other trends show COOs have a heavy bias toward Cerner and Apple. Notice anything interesting? Epic vs. Cerner and Google vs. Apple. Are COOs the archnemesis of CIOs inside healthcare provider organizations and vice versa? Perhaps an industry report in the form of a graphic novel is in order (tongue firmly planted in cheek).
CONCLUSION

The various executives within the hospital c-suite are a diverse crowd and while they all fill significant leadership roles, they are certainly not a uniform group. They prioritize differently and move healthcare forward in individualistic ways and because of their mandate as healthcare providers, they tackle the many challenges they’re bombarded with head-on. Many of these individuals (including a number of our participants) are innovators in their own right, but often take the approach of incrementally transforming healthcare quietly behind the scenes, because in healthcare rarely does the race go to the swift.
APPENDIX A: PARTICIPATION BY TITLE

Participants by job title

- CEO: 40%
- CFO: 21%
- CIO: 19%
- COO: 12%
- CAO: 3%
- Other: 4%
APPENDIX B: ENTERPRISE CLINICAL IT VENDORS MENTIONED BY LESS THAN 3% OF PARTICIPANTS

Razor Insights (athenahealth)
QuadraMed
NextGen
Medsphere
WHY WE RELEASE OUR RESEARCH TO THE HEALTHCARE COMMUNITY?

Does your organization budget money each year for market research initiatives, reports or tools that typically provide little or no ROI? Unfortunately, the market research industry has operated for so long on very outdated and flawed methodologies that businesses rarely use the terms “market research” and “ROI” in the same sentence. We’re on a “mission of mercy” to show what effective business research should look like and our free industry reports are the wakeup call.

Businesses today are sandwiched between handing control of research projects to slow, outdated firms or conducting their own research through the use of survey tools. Both options are recipes for underwhelming performance and depressingly low expectations. So why do organizations keep conducting business research? Because getting intel is that important. You’ve heard the saying, “Some data is better than no data?”

With that, we give you Reaction, the world’s first Research as a Service (RaaS) platform designed for use within your business. That’s right, we are not a market research firm and please don’t ever call us one. At its core, we designed Reaction to make ROI the focus of all business research you conduct with your customers, prospective customers or the market at large. Because of our user network of more than 250,000 healthcare providers and our methodology of best practices, Reaction is blazing fast, elicits an incredible response from any healthcare provider audience and creates direct opportunities to generate new business…some people call that lead generation.

When we let Reaction out of its cage, we couldn’t let our clients have all the fun. So, we use Reaction to gather super salient data in days, not months on a host of healthcare topics to show the market what business research should look like. The takeaway? Demand much more from your market research budget. To find more contact Jeremy Bikman at jeremy.bikman@reactiondata.com or visit us at www.reactiondata.com.